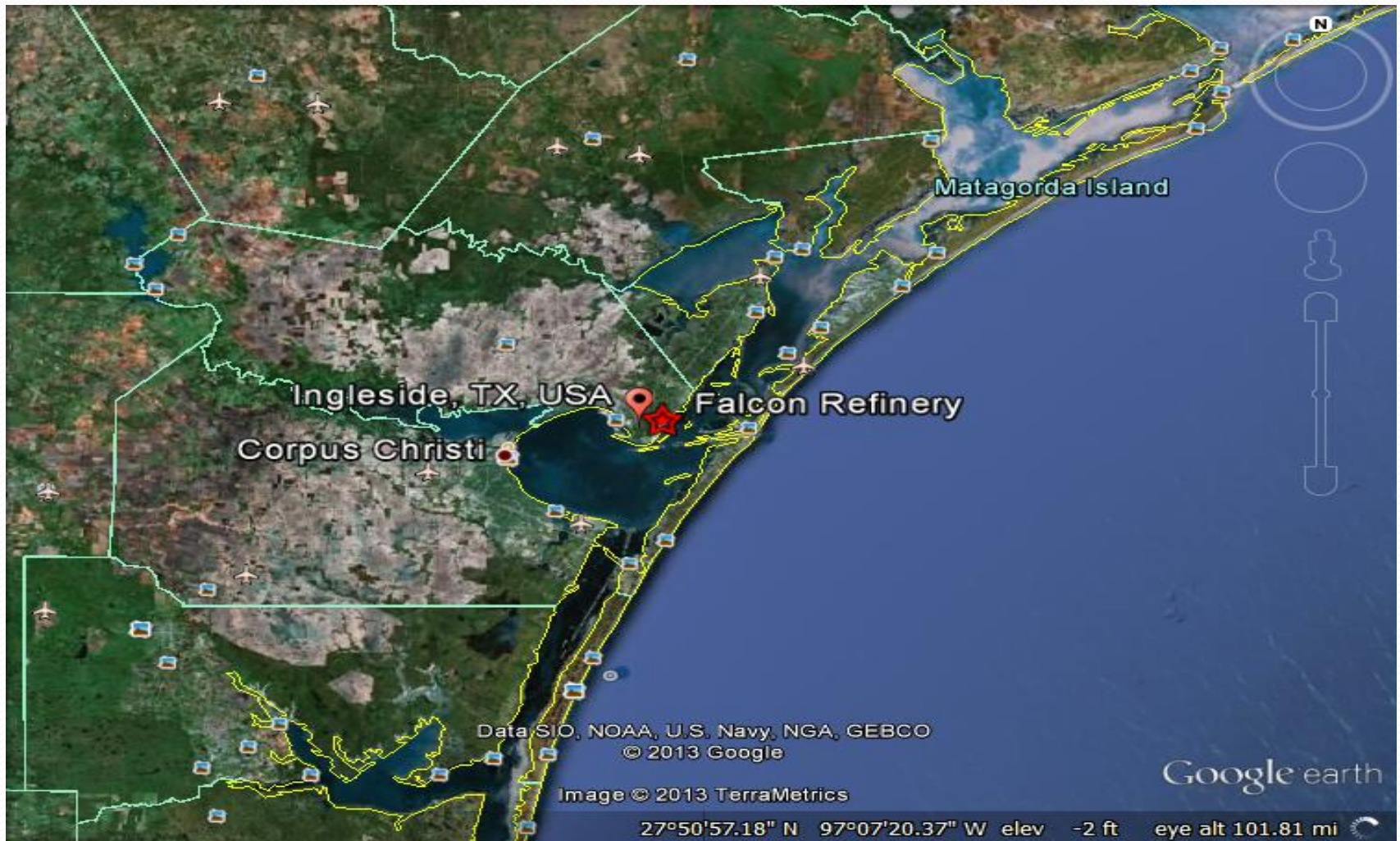


Falcon Refinery Site (06MC)

Site Location



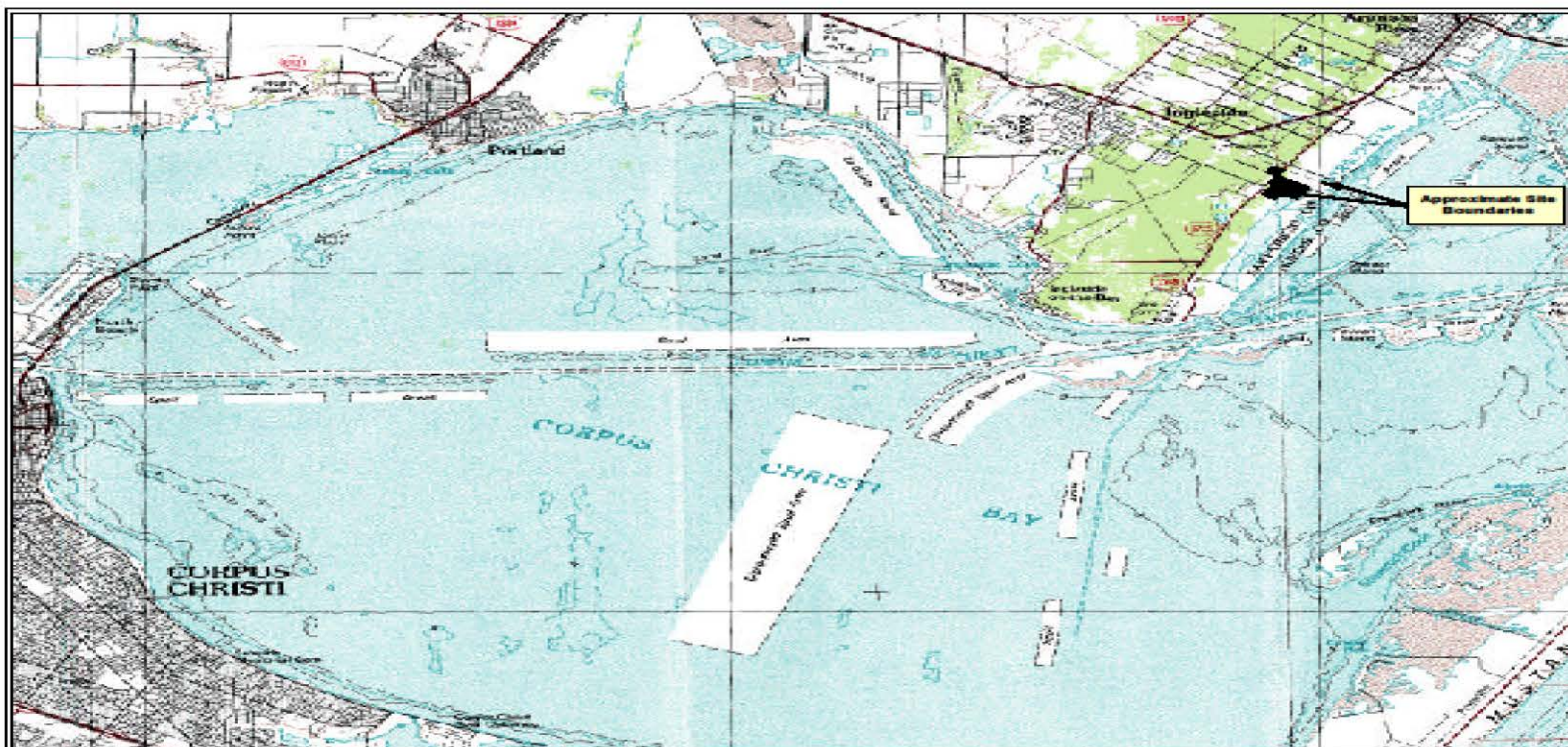
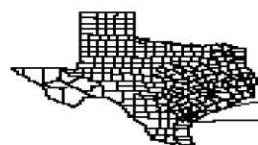


Figure 1a
Regional Location Map
Falcon Refinery aka National Oil Recovery Corporation
Ingleside, San Patricio County, Texas
TXD 086 278 058



*Protecting Texas by
 Reducing and
 Preventing Pollution*

2 0 2 4 Miles



Inset Map



San Patricio County

Source

The base data used is the Corpus Christi 1:100,000 scale Digital Raster Graphic (DRG), which is a scanned image of an U.S. Geological Survey topographic map. UTM NAD 27 Zone 14

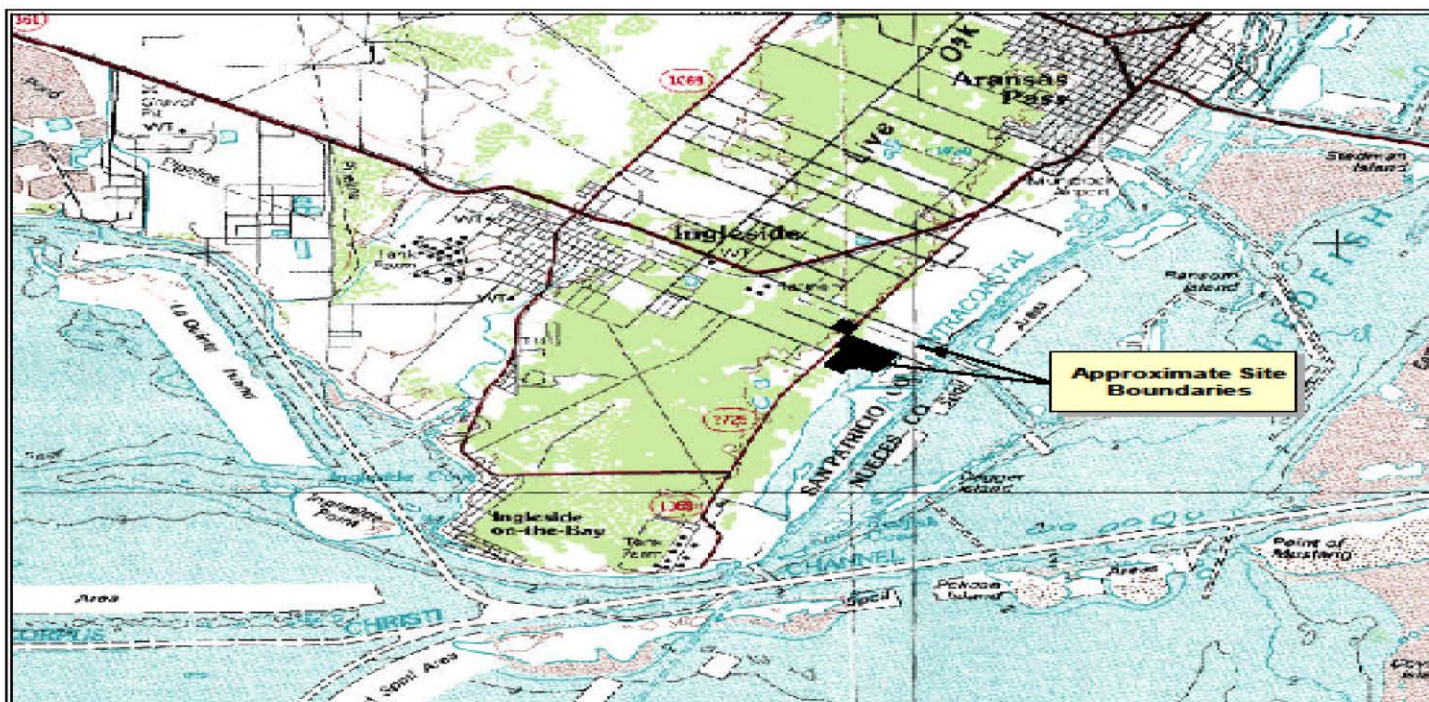


Figure 1b
Site Location Map
Falcon Refinery aka National Oil Recovery Corporation
Ingleside, San Patricio County, Texas
TXD 086 278 058



*Protecting Texas by
 Reducing and
 Preventing Pollution*

1 0 1 2 Miles



Inset Map



San Patricio County

Source

The base data used is the Corpus Christi 1:100,000 scale Digital Raster Graphic (DRG), which is a scanned image of an U.S. Geological Survey topographic map. UTM NAD 27 Zone 14

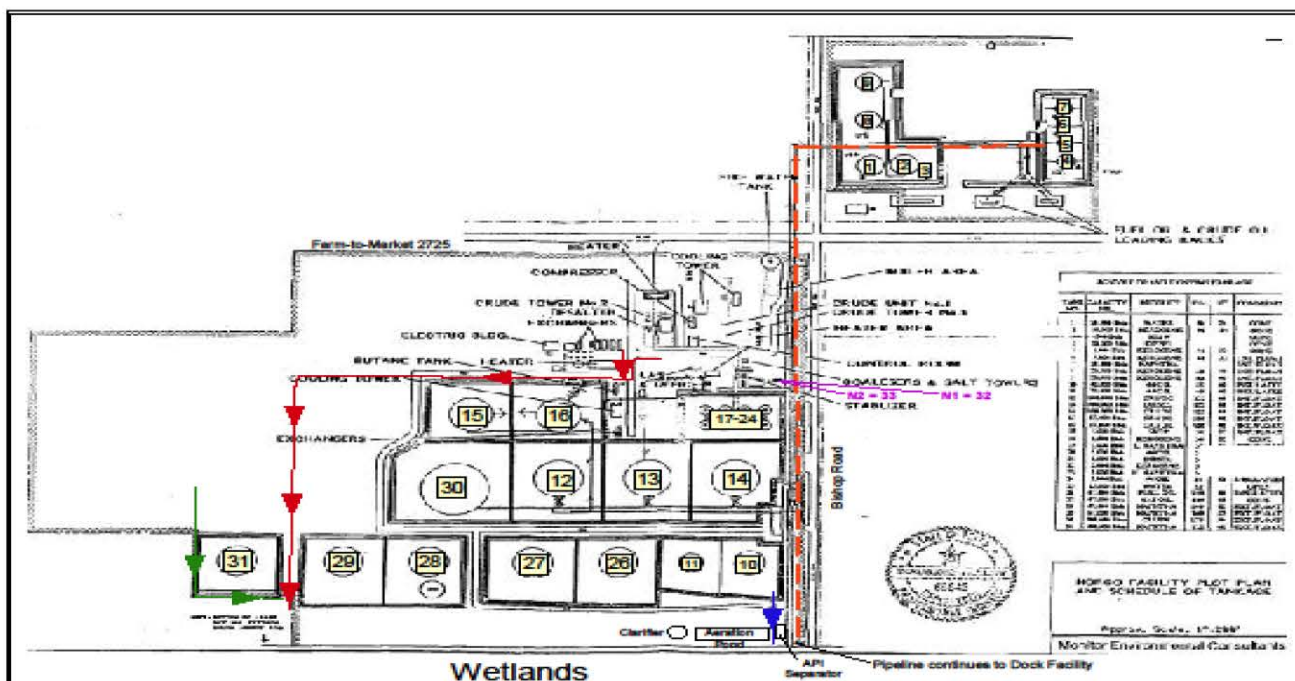


Figure 1c
Site Detail Map

Falcon Refinery aka National Oil Recovery Corporation
Ingleside, San Patricio County, Texas
TXD 086 278 058



Legend

- Drainage Pathway No. 1
- Drainage Pathway No. 2
- Possible Drainage Pathway
- Pipeline

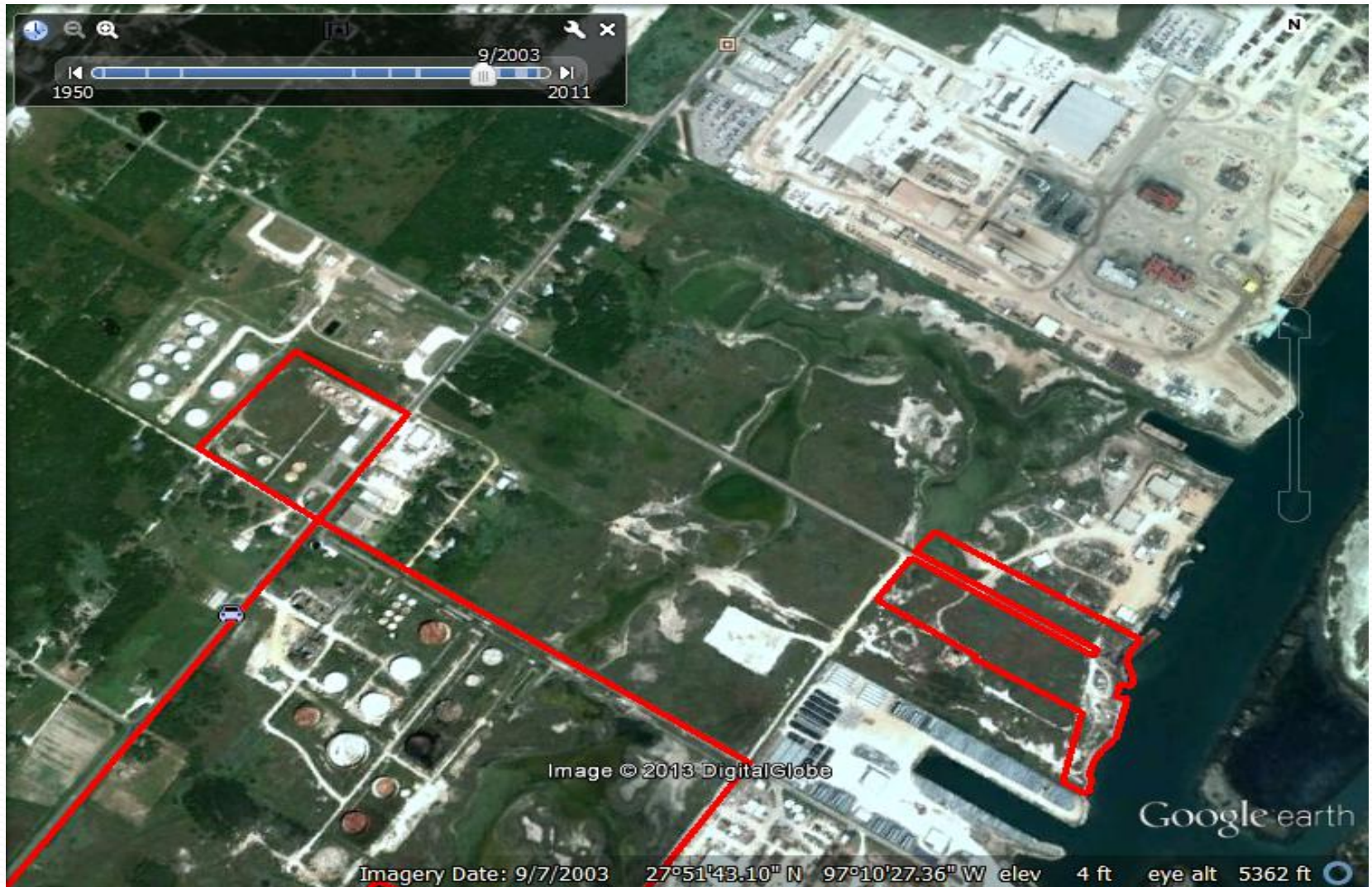


Protecting Texas by
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Reference

Ref. 17, pp. 33-35

09.2003 Aerial



Site History

- 4/1980: The refinery was constructed by UNI Refining
 - The refinery or portions thereof operated intermittently under various entities for refining and storage and then just storage.
- 12/1990: National Oil Recovery Corporation (NORCO) obtained the facility
 - 6/1991: NORCO obtained the dock facility from Sun Operating.
 - It does not appear that NORCO ever operated the facility but did lease the facility out for use of the onsite storage tanks.
- 09/2011: Designation as Superfund Alternatives Site cancelled and Site was listed on the NPL
- 2/2012: Lazarus Texas Refinery 1 (LTR₁) obtained the facility and dock. NORCO remains liable for cleanup activities under the AOC even though they have a sales contract where LTR₁ has formally accepted those continuing AOC responsibilities.

Site History

Removal

- 08/2003: Action Memo for Oversight Costs Signed to be included in AOC (\$99,993).
- 06/2004: Removal AOC entered into with PRP (National Oil Recovery Corporation (NORCO)) to conduct Removal Action. The Scope of Work is:
 - Remove/Dispose of source materials from tanks, misc. containers, equipment, buildings, piping, and piping to the docks
 - The work also includes:
 - Asbestos Inspection and Abatement
 - Assessment and Removal of Hazardous Substance, or Pollutants, or Contaminants
 - Decontamination of Containers, Equipment, Piping, and Buildings
 - Removal of Containers, Equipment, Piping, and Other Contaminated Items
 - Consolidation, Removal, and Disposal of Visibly Contaminated Soils

Remedial

- 06/2004: Remedial AOC entered into with PRP to conduct RI/FS
- Aug 2007: NORCO conducts RI Sampling.

Site History

Removal

- 02/10/2010: Superior Crude (Leasee) had a large oil spill estimated at 24,000 bbls with 2200 bbls entering wetland (Cleanup Performed by Superior)
- 03/28/2011: Work Takeover Letter issued to NORCO for default on Removal Order
- 04/2011 EPA obtains \$500K for Removal through Letter of Credit from NORCO due to default on Removal Order
- 05/2/2011: Agreed Order negotiated allowing NORCO to resume Removal Action

Remedial

- 02/10/2010: Superior Crude (Leasee) had a large oil spill estimated at 24,000 bbls with 2200 bbls entering wetland (Cleanup Performed by Superior)
- 03/28/2011: Work Takeover Letter issued to NORCO for default on Remedial Order
- 04/2011 EPA obtains \$500K for Remedial through Letters of Credit from NORCO due to default on Remedial AOC

11.22.2011 Aerial



Site History

Removal

- During NORCO Ownership under the AOC (8/2003 – 2/2012), NORCO accomplished the following:
 - Disposal of:
 - 7.8 M gallons of hazardous waste liquids via deep well injection
 - 40 yd of petroleum contaminated soils
 - 15 yd hazardous solids
 - 58 T pounds of K169/Caustic Sludge
 - 166 T pounds K169 Sludge
 - 50 yd fiberglass insulation
 - Recycled 1.8 M pounds metal
 - Recycled 17 T gallons of oil
 - Cleaned/Gas Freed/Demolished 15 Tanks

Remedial

Site History

Removal

- 02/23/12: Sale of Falcon Refinery - Letter Agreement between NORCO and LEH/LTR (closed about 2/29/12)
- 06/28/2012: Superior Crude (Leasee) had a pipeline spill estimated at 15 – 20 bbls (Cleanup Performed by Superior).
- 12/26/2012: Superior Crude (Leasee) had another tank spill (Tank 13) estimated at 3 – 5 gallons/minute and remained in a trench in secondary containment. Tank pumped off to barge. TRRC involved. (Cleaned up by Superior)
- 12/31/12: LTR₁ activities on-site ceased due to funding issues

Remedial

- 02/23/12: Sale of Falcon Refinery - Letter Agreement between NORCO and LEH/LTR (closed about 2/29/12)
- 06/28/2012: Superior Crude (Leasee) had a pipeline spill estimated at XXX bbls (Cleanup Performed by Superior).
- 03/2012: EPA sent letter to NORCO demanding payment of \$209,036.12 to comply with RI/FS order.
- 09/2012: EPA Cincinnati sends notice of non-compliance letter to NORCO for failure to pay past due amount of \$209,036.12.
- 09/2012: RI/FS Task Order issued to RACS Contractor (\$500K need \$1.2M).
- 12/26/2012: Superior Crude (Leasee) had another tank spill (Tank 13) estimated at 3 – 5 gallons/minute and remained in a trench in secondary containment. Tank pumped off to barge. TRRC involved. (Cleaned up by Superior)
- 02/2013: EPA Contractor's Site Management Plan, QAPP, FSP approved for RI/FS.

Site History

Removal

- LTR₁ actions since 2/12 – 12/12 purchase:
 - Conducted Site Maintenance Activities
 - Repaired Secondary Containment
 - Cleaned and Made Temp. Repair to T₁₂ to facilitate transfer of water from T₂₆
 - Set up transfer piping to transfer water from T₂₆ to T₁₂
 - Irrigation Field Set Up for Land Application of Treated water from T₁₂/26
 - Removed portion of T₃₀ internal roof to access sludge
 - Disposed of 50 yd of fiberglass insulation from previous tank demo
 - Inventoried/Sample Waste for Disposal and Treatment Option.
- 1/13: LTR₁ progress stops due to funding issues
- 3/13: LTR₁ provides information about a loan it is seeking to continue progress at site
- 4/13 LTR₁ indicates the loan value is initially \$3.5 million but no further work can be done until loan is approved.

Items Remaining to be Completed

Removal

- Remaining Removal Activities:
- Tank 26
 - Transfer oily water from T26 to T12 or T16 or
 - Remove/Dispose of oily water/sludge (26,000 bbl/11375 bbl)
 - Demolish /RefurbishTank (as desired)
 - Remove all contaminated soils from below tank
- Tank 7
 - Remove/Dispose sludge from Tank (861 bbls)
 - Demolish /RefurbishTank (as desired)
 - Remove all contaminated soils from below tank
- Tank 30
 - Remove remainder of internal roof
 - Remove/Dispose of oily water/sludge (3032 bbl/3032 bbl)
 - Demolish /RefurbishTank (as desired)
 - Remove all contaminated soils from below tank
- Tank 12
 - Transfer oily water (6246 bbl) to T16 to be treated and irrigated
 - Demolish /RefurbishTank (as desired)
 - Remove all contaminated soils from below tank

Items to be completed

Removal

- Removal of materials from all piping and other equipment
- Butane Tank
 - Clean/Dispose of residual material
- Water Treatment System
 - Test installed irrigation system
 - Treat water with treatment chemical/sand/activated carbon
 - Test to determine if it meets TCEQ and Land Disposal Criteria and Retreat as necessary
 - Batch irrigate once water meets criteria
- Asbestos Removal
 - Conduct additional Asbestos Survey of Process Area
 - Conduct Asbestos Removal/Disposal as required
- Removal Action Report

Aerial Photo of Feb 2010 Spill



11.22.11 Aerial Showing Property



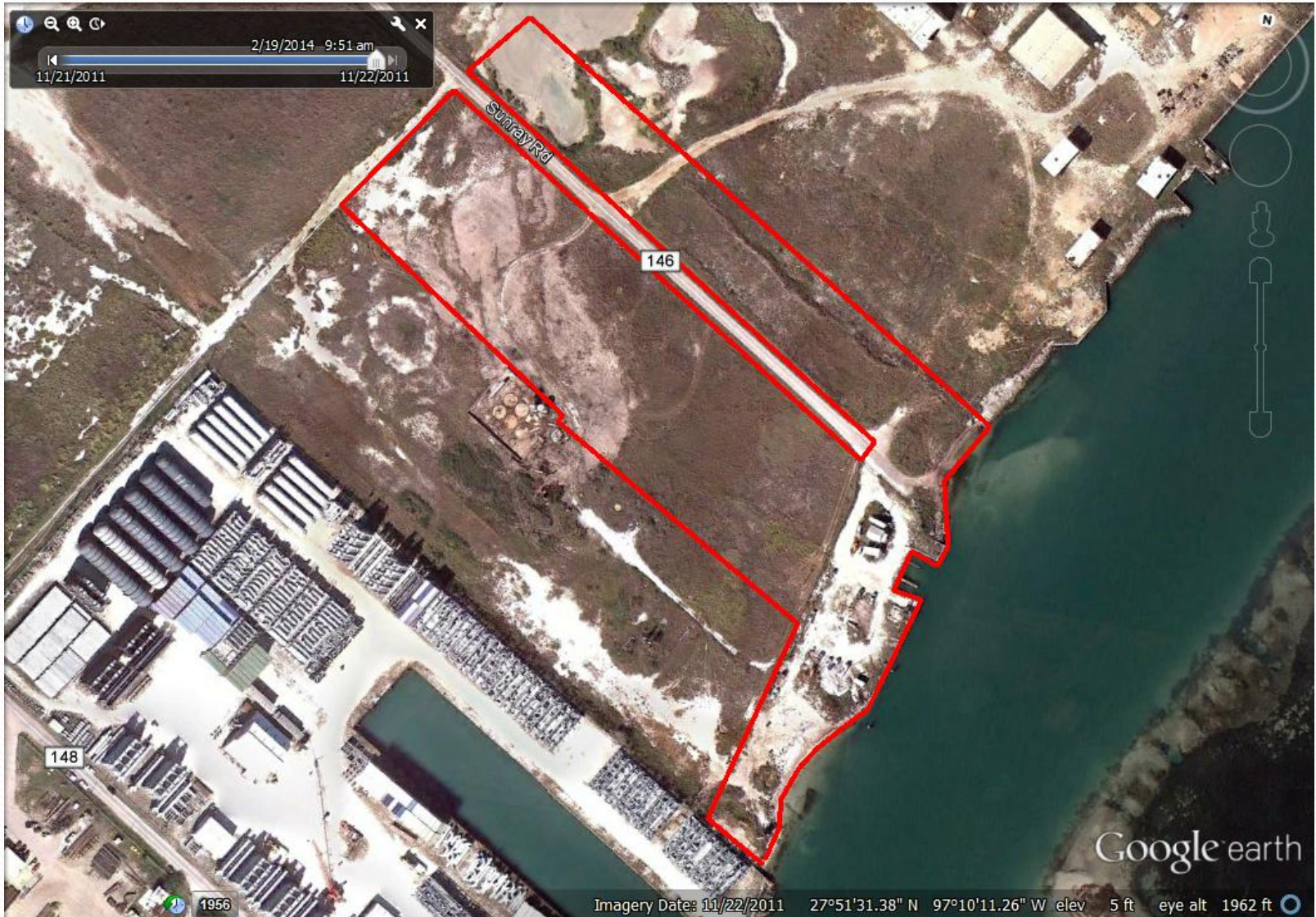
North Refinery Area 11.22.13



Main Refinery Area 11.22.13



Refinery Dock Area 11.22.13



Refinery Dock Closeup 11.22.13



Tankage

Tank Number	Tank Capacity (bbls)	Waste Type	Waste Volume (feet)	Waste Volume (bbls)
7	10000	Sludge (K169)	2.5	861
12	100000	Oily Water	3	6246
26	65000	Oily Water	16	26000
		Sludge (K169)	7	11375
30	160000	Oily Water	0.75	3082
		Sludge (K169)	0.75	3082

- Tanks 13, 14, 15 being still with Superior Crude
- Tank 16 is being repaired by LTR₁ (complete)

Estimated Costs

- Sludge: 643,356 gallons @6.02#/gal@ .0005 ton/# X \$500/ton = \$968,250
- Oily Water: 35328 bbls (1,483,776 gallons) X \$1.00 = \$ 1,483,000
- Asbestos Waste: \$3600
- Soil: \$ 50,000
- Transportation: \$350,000
- Labor: \$ 1,000,000
- Equipment & Supplies: \$ 1,000,000
- Total: \$ 5,821,500 (includes 20% contingency)